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FULL COMMITTEE HEARING ON H. R. 3377 (NACA BILL), AND MISCELLANEOUS REAL ESTATE PROJECTS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., Tuesday, March 19, 1957.

The committee met at 10 a. m., Hon. Carl Vinson, chairman of the committee, presiding.

The CHAIRMAN. Let the committee come to order.

Mr. GAVIN. Mr. Chairman?

The CHAIRMAN. Mr. Gavin?

Mr. GAVIN. Before we proceed, I want to state that I read carefully the report submitted by the Department of the Air Force on the Air Force Concept of Close Air Support, and information as to type of training programs conducted by the Air Force.

It is a very interesting report, and I would suggest, Mr. Chairman, that reprints be made so that those members who are interested would have this report available to them. I herewith turn it over to Mr. Smart.

The CHAIRMAN. Without objection it will be inserted in the record at this point.

(The report referred to is as follows:)

SECTION I. AIR FORCE CONCEPT VERSUS MARINE CORPS CONCEPT

1. The Marine Corps is designed, equipped, manned, and trained to engage in "shock" type action which is liimted in time, magnitude, and scope. Marine aviation, being integral to that corps, is called upon to provide direct air support operations, the specific purpose of which is to support ground elements of the Fleet Marine Forces. Normally, one Marine aircraft wing supports one Marine division. When one Marine division is operating independently, its supporting air wing is normaly centrally controled at division level. However, if two or more divisions are operating together, the commander would effect centralization of control of all air wings in order to employ the air effort effectively.

2. The Marine aircraft wing is a task organization of groups and squadrons tailored in strength and composition to conduct various type air operations. Its size, therefore, is not constant. It is, however, a much larger organization than an Air Force wing, although the two are not comparable as they have different missions and organization. A typical Marine aircraft wing might consist of 3 to 4 Marine air groups, a total of 12 to 16 combat squadrons in these groups, additional specialized squadrons, and possibly as many as 10,000 personnel and over 300 combat aircraft. The personnel and aircraft strength of a typical Air Force wing in no manner approaches these figures.

3. One of the basic philosophical differences between the Marine and the Air Force systems for close air support is the degree of reliance placed by Army and Marine ground force commanders upon the supporting fires of their own artillery. Generally, Army commanders prefer to rely on their own artillery within the first thousand yards of the front. Conversely, Marine ground commanders can normally expect only flat trajectory fire of naval guns during the critical phases of ship-to-shore movement. Consequently, Marine commanders must place greater emphasis on close air support as a substitute for organic ground fires. The preliminary preparation of areas which are to be subjected

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to classic Marine air-ground action has usually been accomplished by either naval air or tactical air. A satisfactory degree of air superiority and isolation of the battlefield is accomplished prior to such close support operations as envisioned by the Marine system.

4. The Marine system has definite advantages when employed solely in support of an operation which requires classic Marine action. As the type of operation deviates from the classic, the Marine system becomes progressively more unsatisfactory and costly. As an example in the later stages of the Korean conflict, Marine air effort was considered no different from Air Force tactical air support and was controlled with no partiality toward its parent service. It was placed under the operational control of the Fifth Air Force.

5. Thus, any definitive comparison of the Air Force and Marine systems is faulty in the very premise that the two systems are designed for completely different types of ground operations and necessarily have entirely different allocations of artillery and supporting air. This concept is accentuated by Secretary Wilson's recent Roles and Mission Directive. The Air Force, while retaining responsibility for close air support to the Army, tends to move out of the ground battle zone. United States Army surface-to-surface missiles are directed to take over more of the close air support task with those new weapons.

6. Some Army personnel advocate close air support of the type and quantity that Marine air doctrine prescribes for Marine ground forces. This lavish use of close air support may be desirable in highly specialized operations such as amphibious landings, but not in large scale, extended-time ground operations. For the Air Force to attempt a similar close-air-support strategy for Army forces would be an inefficient and wasteful use of airpower, even though the economy of this Nation could support such a program, which is doubtful when the requirements for the support of ground forces of smaller allied nations are added to the support needs of the United States Army.

SECTION II. AIR FORCE TRAINING CONDUCTED IN CONJUNCTION WITH ARMY GROUND FORCES

1. The USAF Air-Ground Operations School, located at Keesler Air Force Base, Miss., trains officers of the Armed Forces and selected civilian personnel in procedures by which the services plan, integrate, and conduct their theater missions. The school was established in 1950 and has operated continuously except for short breaks for relocations and summer recesses. The courses of instruction are:

Type course	Duration	Mission
Indoctrination	5 days (1 week)	Provide student with broad basic knowledge of doctrine, methods, and procedures of joint air-ground operations in a theater campaign.
Specialist	10 days (2 weeks)	Organization and employment of aviation in a tactical role in relation to ground forces employment, organization of tactical air control systems, joint operations centers, and air-ground operations systems.
Forward air controller	do	Employment of tactical air, details and operations of the tactical air control system, direction of the air-ground operations system and the joint operations center. Knowledge of weapons available to ground forces, assisting ground commanders and directing aircraft in close air attacks of front line operations.
Joint air-ground instruction team (JAGIT).	4 hours	A mobile field instruction team which presents condensed indoctrination course at home stations of military organizations in the United States and overseas.

Since the school was established, approximately 22,534 students have completed the courses and of the total students, 11,291 were Air Force, 9,564 were Army, and 1,679 were Navy, Marines, Allied, and civilians.

2. During calendar year 1955, the Tactical Air Command participated in conjunction with Army ground forces in 7 joint command post exercises and 8 joint exercises or maneuvers. During 1956, there were 6 joint command post exercises and 4 joint exercises. During 1957, Tactical Air Command has participated in one command post exercise and one joint exercise.

3. Tactical Air Command units have participated with the Army in 37 minor joint exercises during calendar year 1956. These joint exercises consisted of Air Force units participating in battalion training exercises, tracking missions

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and firepower demonstrations for division size and smaller units. In addition, two major firepower demonstrations are conducted each year at Eglin Air Force Base, Fla., for all the services and selected civilians.

4. Listed below is a breakdown of Tactical Air Commands' troop carrier air force airlift capability allocated to support the Army each month:

Type aircraft:	*Army percentage*
C-124	35
C-119	55
C-123	65

5. The training programs listed above are continuous in nature and in addition, TAC Regulation 55-26, June 27, 1956, provides the training policy for units of this command. This regulation outlines policy and establishes definitions, requirements, and procedures pertinent to requesting, planning, and conducting Air Force demonstrations and joint training objectives.

SECTION III.—DEVELOPMENT OF THE AIR FORCE'S CONCEPT FOR EMPLOYMENT OF TACTICAL AIR

1. World War II was the beginning of what might be termed the first scientific application of tactical air operations, and the basic doctrine for tactical air operations, as they are known today, had its inception in the lessons and hard-won experience of that conflict. For example, in the North African campaign we initially followed a practice of parceling out airpower to corps commanders to use as they saw fit. It was not until we realized that we were taking a beating from a numerically inferior German Air Force that we changed our practice. Once our air forces had been centrally organized under an air commander, their total effectiveness was fully exploited to turn the tide of battle. Thus, the tenet of having airpower controlled at the highest level than it can be effectively utilized was developed and is reflected today in the organization of each theater command.

2. Tactical airpower must be provided with centralized control and direction at both theater and tactical air force level. Its component parts are specifically designed to complement each other and to be mutually supporting. They cannot be fully effective if they are divided. Division seriously reduces tactical air potentials of mobility, and flexibility, as well as making these piecemeal air elements extremely vulnerable to destruction by a more wisely controlled and employed air force. Control and direction of available airpower must rest with a single air commander. Under such centralized control its full weight and power can be shifted quickly from one objective to another, or from one type mission to another, in order to meet unexpected threats; exploit success, and wield its tremendous influence in furtherance of the combined strategy.

3. Although it is perfectly natural that the infantry division commander feels that his job is of primary importance, he must realize that there are many other commanders who are concurrently thinking the same thing. If the available tactical air effort were to be split into the requisite number of small forces to satisfy all these individual desires for air support, tactical air power—the most powerful and strategic weapons system available to the theater commander—would be dissipated and denied him when he needed it most. In the obvious role that air forces will have in future conflicts, and due to the tremendous destructive power that could be employed by an enemy air force, this point cannot be overemphasized.

4. Field Marshal Viscount Montgomery made the following statement: "The dominant factor in a future war will be air power * * * If we lose the war in the air, we lose the war, and lose it quickly * * * We will not win the war in the air unless the air forces are allowed to retain their flexibility and unity, and unless the air command is organized accordingly."

5. General Eisenhower has recorded, also, some forthright and appropriate views on this subject. He wrote: "Battle experience proved that control of the air, the prerequisite to the conduct of ground operations in any given area, was gained most economically by the employment of air forces operating under a single command."

6. In order to permit a realistic interpretation of the problem it is necessary to review basic Army and Air Force doctrine. First, Army doctrine, as stated in FM 100-5 is quoted: "Army combat forces do not support the operations of any other component." This concept envisions that theater operations will culminate in the ground campaign with the overall success of the theater mis-

sion being predicated on that action. The Army concept ignores the fact that both the United States Navy, and United States Air Force are capable of decisive action in their media.

7. Air Force doctrine holds that theater forces are organized and employed in accordance with a tenet of mutual support. Each theater component is dependent upon the other for the accomplishment of certain functions and activities associated with a particular force. Compatible with the objective of mutual support, each component force is concentrated on the task it is best able to accomplish. No one theater component is self-contained, or capable within itself, of achieving the theater mission. The Army-Air Force positions are therefore in conflict.

8. For all intents and purposes tactical air forces are synonymous with theater air forces. As such they are the only Air Force forces which can respond immediately to the desires of the theater command and/or theater air commander. In this respect any changes which affect, or can affect, the overall theater mission can be exploited quickly as long as the tactical air forces are under the command and control of a single air commander. Piecemeal division of the Air Force forces would render ineffective the principles of centralized control and decentralized execution.

9. In the matter of quantitative requirements, wherein the Army desires one Air Force wing per division, the following information is submitted:

(*a*) The Army states that this wing would be under the direction of the division commander and employed like artillery. This arrangement would, the Army feels, "guarantee" the division commander close air support when he needed it. Let's observe what would actually happen to both the artillery and the aircraft. If the enemy concentrated a large effort through this division the wing would be insufficient. The aircraft from other divisions within the corps and all artillery which had the range and flexibility to strike the target would be utilized by the corps commander under his control to counter the threat. If the attack on the corps were of great magnitude, the Army commander would have to call on aircraft and artillery support from other corps, retained under the control of the Army commander, to counter the threat. Thus one is forced into the basic principle of centralized control. These aircraft, as mentioned, would be available to counter ground threats only. At a glance one can see that one wing per division would be a significant number of aircraft that would not be available for use in the accomplishment of the overall theater mission. Should this air effort be needed in the counter air battle, control would have to be exercised by the theater commander. This is presently accomplished by the theater air component commander who controls all air operating in the theater. Without centralized control, if the enemy were in an inactive ground status in front of any one particular division or corps front, the wing of aircraft available to this particular division or corps could not be properly utilized, and, thus, air weapons systems that have a tremendous capability would necessarily be wasted and misused. Centralized control is essential to exploit the full potential of airpower. The misuse of air as evidenced in North Africa was almost disastrous. This was an important lesson which we learned the hard way and at a great cost. In a nuclear war against an aggressive, determined, and superbly equipped enemy we cannot afford the price we would have to pay to relearn this lesson.

(*b*) The foremost threat to any force is enemy air. The neutralization, and undeniably today, the destruction of such a threat is mandatory in order that all members of the land, sea, and air team can be utilized effectively. It would be attractive, indeed, if the Air Force had the specialized aircraft, personnel, equipment, and supplies in such tremendous amounts to meet any foreseeable threat. The counter air battle could be accomplished by specialized aircraft in sufficient numbers to accomplish efficiently this task. We could have specialized interdiction, close air support, reconnaissance, and airlift aircraft in sufficient numbers so that one task would not detract from another. From the standpoint of national economy alone this can never be the case. As the overall defense of the country is the foremost consideration, the military must place its greatest effort against the greatest threat. The greatest threat to our survival is enemy air power. This must be countered with a strong air defense, and an extremely effective retaliatory striking force. In the Zone of Interior these functions are performed by the Air Defense Command and the Strategic Air Command. The theater commander has tactical air forces to perform both of these functions. In a theater these functions are more varied than in the Zone of Interior. Thus, the theater air effort requires multipurpose aircraft employed under centralized

control to accomplish the task which at a particular time, poses the greatest threat to the theater mission.

10. In addition to the responsibilities for providing air support to the United States Army, the United States Air Force is committed to providing similar support to allied nations in the NATO structure, and possibly in the SEATO structure. The United States Government has recognized certain deficiencies existing in the military strength of its allies. Several allied countries possess the necessary military strength in the ground forces, but they are lacking in an adequate air capability. Accordingly, the military forces of these nations are being assisted through miiltary assistance groups. Since these nations do not possess an adequate air capability, United States Air Force responsibilities in the realm of tactical air support can no longer be limited solely to United States Army interests. To provide adequate, effective, and timely air support to the varied commands and allied nations requires centralized control of air power under a single air commander.

The CHAIRMAN. Now, the first matter on the agenda this morning is a report from Subcommittee No. 3 on H. R. 3377, authorizing the construction of facilities for the National Advisory Committee for Aeronautics.

Mr. Durham?

Mr. DURHAM. Mr. Chairman.

Subcommittee No. 3 has considered H. R. 3377, the NACA construction bill for fiscal year 1958.

The total amount of the authorization sought this year is $4,700,000. This is substantially larger than the requests of previous years. Part of the reason for this larger program is increased basic cost of many of the construction and equipment items included in the program. In other words, the price of these items has risen in the same way that all others have in the last few years.

The higher cost is reflected more importantly, however, in the fact that the NACA is faced today with increasingly difficult problems involved in our aircraft and missile program. All of the items were well justified by Dr. Dryden, the Director of NACA, and the subcommittee reported out the bill unanimously.

I will describe briefly the projects which are included in the program and I will describe them not by installation but rather by type in order that it will be clear to the committee which of the items are new, which are expansions, and so forth.

New facilities for hypersonic research comprise the largest part of the program. These total $20,965,500. The most important item in this part of the program is a 3.5-foot hypersonic tunnel at the Ames Laboratory, at Moffett Field, Calif. This alone represents over $11 million of the almost $21 million. Other new items will be constructed at Langley Laboratory, Va., and Lewis Flight Propulsion Laboratory in Cleveland, Ohio.

The expansion of facilities for nuclear research represents $5,655,000. Modernization of research facilities at Lewis and Ames comprise almost $11 million. One small item in this part of the program also is at Langley.

Modernization of technical facilities at Langley and Wollops Island total almost $6½ million. The rest of the program, about $658,000, represents general plant and utility improvements.

I think all members of the committee are wholly persuaded of the extremely important work performed by NACA. It is not too much to say that we would have no modern jet airplanes and would not be where we are in the missile program without NACA. Their work is

tremendously complex and I feel that they should be given all of the support that we can give them. And this committee has given them support at all times.

I would like to illustrate the high scientific level of their research by one example which was brought out in the testimony.

The rocket motor of the V–2 burned for about 70 seconds. That is the old German V–2. Purely for illustration, let's say the burning time of one concept of an ICBM might be about 3 times that, some 200 seconds. During that time—2⅓ minutes, the fuel and oxidant might be pumped into the combustion chamber at the rate of about a ton a second.

Calculations indicate that if the missile is going to destroy a priority target the rocket motor must operate with a degree of precision which has not been used before in devices, and this hypersonic device is purely for this purpose, of this size or complexity.

In 5 minutes a missile must reach an altitude of 500,000 to 1 million feet, traveling at a velocity of 18,000 miles per hour. If the velocity is 18,500 miles per hour, it misses the target by 5 miles. Likewise, if 1 percent of the propellant isn't used, the miss may be measured in hundreds of miles.

Mr. Chairman, I believe this bill is an important and necessary one, and I move its favorable consideration, and the successful carrying out of the missile program, and I move its favorable consideration.

The CHAIRMAN. Any questions from any members of the committee to Mr. Durham?

(No response.)

The CHAIRMAN. Let the bill be read for amendment.

Mr. KELLEHER. There are no subcommittee amendments, Mr. Chairman. [Reading:]

[H. R. 3377]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to subsection (b) of section 1 of Public Law 672, approved August 8, 1950 (50 U. S. C. 151b), the National Advisory Committee for Aeronautics is authorized to undertake additional construction and to purchase and install additional equipment at the following locations:

Langley Aeronautical Laboratory, Hampton, Virginia: High speed leg for the unitary plan tunnel, hypersonic physics test area, data reduction center, improved air supply, modification of an existing tunnel, central heating system, hypersonic tunnel, and an approach road, $8,164,000.

Ames Aeronautical Laboratory, Moffett Field, California: Hypersonic tunnel, improvements to the unitary plan tunnel, and a boundary-layer removal system for the fourteen-foot transonic tunnel, $16,521,000.

Lewis Flight Propulsion Laboratory, Cleveland, Ohio: Modifications to the component research facility for nuclear propulsion, expansion of the propulsion systems laboratory, rocket systems research facility, and acquisition of not to exceed 115 acres of land, $17,455,000.

Pilotless aircraft station, Wallops Island, Virginia: Modernization of instrumentation, $2,560,000.

SEC. 2. Any of the approximate costs enumerated in section 1 of this Act may, in the discretion of the Director of the National Advisory Committee for Aeronautics, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work so enumerated shall not exceed $44,700,000.

SEC. 3. Any funds appropriated for the construction of facilities pursuant to this Act may, with the approval of the Bureau of the Budget, be used for emergency repairs of existing facilities when (1) such existing facilities are made inoperative by major breakdown, accident, or other circumstance; and (2) such repairs are deemed by the Chairman of the National Advisory Committee for Aeronautics to be of a greater urgency than the construction of new facilities.

SEC. 4. There are hereby authorized to be appropriated such amounts as may be required to accomplish the purposes of this Act.

The CHAIRMAN. Mr. Durham, I would like to ask you why can't we build this additional facility at the Lewis Laboratory in Cleveland on the present site, without acquiring 115 more acres of ground?

Mr. DURHAM. Mr. Chairman, for several years now that facility there has been very, very crowded.

Of course these facilities require quite a bit of acreage.

The CHAIRMAN. You feel we need this additional acreage?

Mr. DURHAM. Well, the committee I believe at one time turned it down or held it up. We either have to acquire the land or probably not be able later to expand that facility. That is just what they are up against.

The CHAIRMAN. You feel we should authorize them to go ahead, and acquire these 115 additional acres of ground at Cleveland?

Mr. DURHAM. Well, we face the same conditions here that we face with a lot of other expensive tools. And they are expensive tools. When you take it away from there, probably you have to transfer some of your high technical personnel to another location, and then you have a duplication.

The CHAIRMAN. The committee recommended, then, acquiring this land?

Mr. DURHAM. This is the committee's recommendation after consideration.

The CHAIRMAN. Any further questions?

Mr. DURHAM. I would like to say for the committee's information: these last 2 years since we have been authorizing these projects—and this committee has authorized them all—this will carry us up to the speed level of about 50,000 miles per hour. Of course, this research can't be done by the actual missile in flight. You have to do it in installations like this, and calculate it on the ground.

Mr. ARENDS. Mr. Chairman?

The CHAIRMAN. Mr. Arends?

Mr. ARENDS. You are pretty well convinced that they need all this money and can advantageously use all this money?

Mr. DURHAM. Well, there is one provision you will notice, in section 3.

Mr. ARENDS. On repair, yes.

Mr. DURHAM. That is new authorization.

Mr. ARENDS. Yes.

Mr. DURHAM. But when one of these wind tunnels does break down, and it is 30, 35 million dollars, there is no way when Congress is not in session for them to repair that so it will again become useful.

So the committee felt it was a wise provision to put that in, and give the Budget Bureau control of it, which they authorized.

Mr. ARENDS. Then there is some money here for repair work?

Mr. DURHAM. None whatever, but when it breaks down we provide a way for repairs.

The CHAIRMAN. A quorum is present and without objection, the bill is favorably reported.

Mr. Durham will report the bill and appear before the Rules Committee, and endeavor to get a rule. Thank you, Mr. Durham.

Anything further from your subcommittee?

Mr. DURHAM. That is all, Mr. Chairman.

The CHAIRMAN. Now, the next is the report of the Real Estate and Construction Subcommittee on miscellaneous real estate projects.

Mr. Kelleher, will you present that?

Mr. KELLEHER. Yes, sir.

The CHAIRMAN. Mr. Rivers is off on official business.

Mr. KELLEHER. The Real Estate and Construction Committee, Mr. Chairman, met of March 13, 14, and 15.

The subcommittee considered a number of projects but recommends only the approval of the following:

Air Force Acquisition No. 378: This project is for 114 acres at a cost of $50,500. The property is to be used for the construction of 400 units of Capehart housing at Greenville Air Force Base, Miss. The subcommittee considered at the same time the housing for this base. Both the real estate project and the housing project had been the subject of previous consideration by the subcommittee, and the testimony developed that both projects should be approved. There are no Wherry houses at Greenville.

Army Acquisition No. 258: This project involves the continued leasing of almost 22 acres of land at Long Island City, N. Y., for a postal concentration center, and for other allied uses. The annual rental is $204,912. Substantial improvements have been placed on this property and the subcommittee recommends that serious consideration be given to the purpose of this property. It is understood that plans to this end are now being considered by the Army.

Army Acquisition No. 259: This involves the leasing by General Services Administration of space in Birmingham, Ala., for the Birmingham Ordnance District. The annual rental is $49,542.

The subcommittee also recommends the approval of 334 family units for the Navy at Rota Spain. This housing is to be built under the surplus commodity program. The total cost will be $5,862,000, 75 percent of which will be in pesotas and 25 percent will be in dollars. When this housing is completed, 58.9 percent of the gross requirement for family housing at this station will have been accomplished.

Also, under the surplus commodity program, the sub committee recommends approval of 890 houses at 30 locations in England. The total cost of the housing will be $12 million which has been generated through the sale of surplus tobacco. The Department feels certain that it can obtain 890 houses from the $12 million, but hopes that under the bids, it will be possible to obtain a greater number and probably as much as 960 units.

Army Disposal No. 72: This project contemplates the disposition through GSA of 27 acres of land which constitute the remaining portion of the former Bolsa Chica Military Reservation, Calif.

Considerable study was given to the possible of this land for the antiaircraft defenses of Los Angeles but neither that use or any other has been found by any of the military departments.

Army Disposal No. 79: This project is for the outlease of 40 storage tanks at the Joliet Arsenal, Ill.

The tanks are not needed for use at the present time, and it appears to be in the best interests of Government to lease them out.

Navy Disposal No. 98: This project is for the leasing of the naval industrial reserve repair pier (No. 44), Brooklyn, N. Y. As a re-

sult of advertising, eight proposals for the use of this pier were received. The successful bidder will pay a rental of $105,000 per year plus day-to-day maintenance.

The lease may be terminated by the Government, under the conventional circumstances. The lessee will carry adequate fire and other insurance. The lease is for 5 years. A total of 10.5 acres is involved.

Probably the most important projects considered by subcommittee during its 3 hearings, and the first of the Wherry acquisitions, involve 2 small Wherry projects designated as Monogram Gardens and Northwest Gardens. These projects are located respectively in Driver, Va., and in Northwest, Va.

The first project involves 20 units of Wherry housing and the price which would be paid under the formula is $24,380 which represents the sponsor's outstanding interest. The committee will recall that the formula set out in the law provides that the purchase price of a Wherry project shall not exceed FHA's estimate of the replacement cost of the housing and related property as of the date of final endorsement for mortgage insurance, this amount is reduced by an appropriate allowance for physical depreciation.

Naturally, from this figure there must be subtracted the amount of the mortgage which is still outstanding. As applied to this project, the formula works as follows:

FHA estimated replacement cost	$158,706
Minus physical depreciation	4,952
Formula cost	153,754
Minus outstanding mortgage	130,327
Mortgagor's outstanding interest	23,427

which the owner would get under the formula. And I might add that these 2 projects are only 2 years old.

Under the formula then, the owner of the project would receive $23,427. He, however, claims a greater amount and it appears that this project will go into condemnation. If the owner's interest is condemned the formula, of course, will not apply, and it is impossible to state what the mortgagor will receive as compensation. This is particularly so since this is the first project to be acquired in any fashion.

The project sheet states the mortgagor's outstanding interest to be $24,380. This is $953 more than the figure arrived at through use of the formula and the project figure is said to represent the "fair market value" of the mortgagor's interest. In any event, since this project will go into condemnation, the small difference between the formula price, and the fair market value is of little importance.

Using the same formula, Northwest Gardens results in a payment of $26,962 to the owner. The fair market value in this case, according to the Navy, is $31,135. This project also will go into condemnation since the owner claims a larger payment as compensation.

In approving these two projects, the subcommittee recommends the withholding of approval as to the status of the housing after it is acquired. The project sheet indicates that both these housing projects will be rental quarters—not public quarters. The subcommittee feels that to the maximum extent possible Wherry houses which are acquired should be designated as public quarters with assignments being made according to rank and family size in such fashion as not to work

hardship on the occupants. The subcommittee feels that the military departments are already in the rental business to an undesirable extent and feels that the further leasing of houses should be kept to an absolute minimum.

The CHAIRMAN. Then if you acquire these Wherry houses, why then the quarters allowance will be charged against the houses?

Mr. KELLEHER. If they are public quarters, Mr. Chairman.

The CHAIRMAN. Well, now, what are we acquiring them for if they are not going to be public quarters?

Mr. KELLEHER. Well, under Public Law 1020, which came out of the Banking and Currency Committee, they can either be rented or declared as public quarters.

The theory of renting them is that they are not up to standard, that they are not as large and not as desirable——

The CHAIRMAN. I thought the committee reached the decision the other day to the effect that when the Wherry houses were acquired we were not going to permit them to classify them as substandard quarters.

Mr. KELLEHER. Under the authority of that bill, that is correct, Mr. Chairman. However, there is another law already on the books which would permit them to rent houses, Public Law 1020.

The CHAIRMAN. Well, the whole theory of acquiring Wherry houses is to make them public quarters.

Mr. KELLEHER. Yes, sir.

The CHAIRMAN. And the personnel to be assigned to them and charged against the quarters allowance.

Mr. KELLEHER. Yes, and the subcommittee feels that way.

The CHAIRMAN. Well, will that take place here?

Mr. KELLEHER. If the committee accepts this recommendation, we would withhold at this time any approval as to how the houses would be occupied after acquisition. The subcommittee felt rather strongly that they should be public quarters.

The CHAIRMAN. That is the first question to be decided before we condemn it.

If we are going to condemn it, and not make it public quarters, what is the use of owning the property?

Mr. KELLEHER. Well, there would be an economic reason for buying them, even if they were rented since we will save some money in the process, and not have these leases running for 75 years, with the great amounts of money which will be spent during that time in housing allowances.

If they are public quarters, the average Wherry house can be amortized in something like 14½ years.

The CHAIRMAN. That is right.

Well, without objection, the committee interposes no objection to the report of the subcommittee, and so advises the department.

Mr. KELLEHER. All right, sir.

The CHAIRMAN. Now, Mr. Kelleher, here is a communication which I ask you to submit with reference to some losses of property.

Mr. KELLEHER. Yes, sir, I have a copy of your statement here, Mr. Chairman.

The CHAIRMAN. All right.

Submit that.

Mr. KELLEHER (reading):

Members of the committee, I received a letter from the Army which refers to the authority granted in the last public works law to restore or replace facilities damaged or destroyed.

Under this authority, the Army has advised the committee that it intends to utilize funds to replace facilities as follows:

Clothing store at Fort Lee, Va., which was destroyed by fire, $253,000.

Repair of typhoon damage in Korea, Japan, and Okinawa at a total of $2,516,688.

Restoration of maintenance shop at Ladd Air Force Base, Alaska, which was damaged by fire, $62,346.

This is a total of $2,822,124.

The CHAIRMAN. That comes out of the $10 million we appropriated and authorized?

Mr. KELLEHER. $5 million.

Mr. ARENDS. Mr. Chairman, may I ask him a question?

What kind of a store is this?

Mr. KELLEHER. A clothing store at Fort Lee, this is, a uniform store.

Mr. ARENDS. $243,000.

Mr. KELLEHER. Yes, sir.

The whole structure was destroyed and the Department states that that is the cost of replacing it.

The CHAIRMAN. You see in the public works bill we set up a lump sum of $5 million for each one of the services to take care of the matters of this character.

Mr. KELLEHER. Yes, sir.

The CHAIRMAN. How much has heretofore, of that $5 million, been approved?

Mr. KELLEHER. This is the first, I believe. This will use up a little bit more than half of it.

The CHAIRMAN. This is the first.

Without objection, the committee instructs the Department to use the $2,822,124 for the replacement of facilities enumerated in this report.

Now, what is your next one?

You have another one.

Mr. KELLEHER. Yes, sir.

The CHAIRMAN. Mr. Bryant.

Mr. KELLEHER. This relates to the Air National Guard construction program.

The committee has received a letter dated March 8, 1957, from Assistant Secretary of Defense Bryant concerning certain additions to the Air National Guard construction program for fiscal year 1957. The projects total $4,596,294, and involve 5 installations. A copy of the sheet setting out the installations affected is before each member.

The committee will recall that normally, projects of this kind rest before the committee for 30 days, but the Department has made a request that these particular items receive prompt consideration for the same reason as I mentioned during a recent hearing—that is to say, the need for contracting prior to the end of the fiscal year.

The CHAIRMAN. The money has been appropriated?

Mr. KELLEHER. Yes, sir.

The CHAIRMAN. What is the lump of money appropriated to carry out this?

Mr. KELLEHER. For these particular items, $4,596,294.

The CHAIRMAN. I understand that.

What is the lump sum that was appropriated for the purpose of building these armories?

Mr. KELLEHER. The authority is now $500 million to be spent over a period of 8 years.

I think that about $445 million has actually been appropriated.

The CHAIRMAN. It will not be necessary to make any additional appropriation to carry this out?

Mr. KELLEHER. Not for these items, no, sir.

The CHAIRMAN. Without objection, the committee authorizes the construction of these facilities.

(The committee proceeded to further business.)

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